



James E. Spearman
Executive Assistant
to the Commissioners
Senior Technical Advisor

The Public Service Commission State of South Carolina

224796

COMMISSIONERS
Elizabeth B. "Lib" Fleming, Fourth District
Chairman
John E. "Butch" Howard, First District
Vice Chairman
David A. Wright, Second District
Randy Mitchell, Third District
G. O'Neal Hamilton, Fifth District
Nikiya "Niki" Hall, Sixth District
Swain E. Whitfield, At-Large

Phone: (803) 896-5142
Fax: (803) 896-5231
James.Spearman@psc.sc.gov

July 9, 2010

On Thursday afternoon, July 8, 2010, I contacted Dr. Douglas H. Carlisle to help me understand portions of his testimony in Docket No. 2009-473-WS. Specifically, I made the following inquiries:

- 1) Was the 9.18% growth rate in his Comparable Earnings analysis supposed to be 9.18% return on equity. Dr. Carlisle answered that in his Comparable Earnings analysis the return on equity would be the same as the growth rate and that his Comparable Earnings analysis was used solely to corroborate the results of his DCF and CAPM analyses.
- 2) Was the 0.10% Yield Adjustment in Exhibit DHC-14 derived from or related to the table on page 14 of his prefiled direct testimony. Dr. Carlisle answered that the table on page 14 of his testimony along with the accompanying discussion provided the foundation for the Yield Adjustment.

James E. Spearman

James E. Spearman